GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:3024
ANSWERED ON:17.12.2015
Air India Dues
Rathwa Shri Ramsinh Patalyabhai

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether a number of travel agents had reportedly duped Air India of crores of rupees during the last two years;

(b) if so, the details thereof indicating the names of travel agents and amount involved therein and the action taken thereon; and

(c) the steps taken or proposed to be taken by the Government to avoid such incidents in future and also to recover Air India dues from such travel agents?

Answer

Minister of State in the Ministry of CIVIL AVIATION
(Dr Mahesh Sharma)

(a) Yes, Madam.

(b) The details of outstanding dues from such agents and the status of dues are attached as Annexure A. Air India has undertaken recovery process with these agents through IATA BSP Insurance/Bank Guarantee Coverage (International Air Transport Association- Billing and
Settlement Plan) and through litigation.In some cases, FIR has been filed against defaulting agents.

(c) Steps taken to recover money from defaulting agents and to avoid occurrence of such incidents in future are as follows:

I. Immediate Action initiated against Defaulting Agents:

i) The defaulting agency"s ticket capping on Air India is reduced to zero.
ii) The agent"s access to Air India reservation system and to Billing and Settlement Plan (BSP) is blocked in order to deny the agent from processing any refund of the tickets.
iii) Subsequently, the Agent also gets terminated from IATA BSP. (International Air Transport Association- Billing and Settlement Plan)

II. Action taken to recover outstanding dues :

i) IATA BSP is informed to invoke the Financial Insurance coverage.
ii) Regular visit by Air India team to the agency to impress upon them to make good the payment due to Air India.
iii) Legal action is initiated against the agents.In some cases FIR is filed along with civil suit against the agent for recovery of outstanding dues.

In addition to the above, the capping levels of agents are regularly monitored by Air India and following action is initiated to avoid such instances in future:

i) The regional offices have been informed to be cautious and vigilant with regard to the over trading limits assigned to the agents as per the current policy.
ii) Due diligence of all agents who are allowed to overtrade is being done at the regional level. In case of any market information about the vulnerability of agents, their capping is restricted and they are not allowed to overtrade.
iii) After discussion with representatives of various regions , certain changes have been made in the existing capping policy which was reviewed in March 2015.